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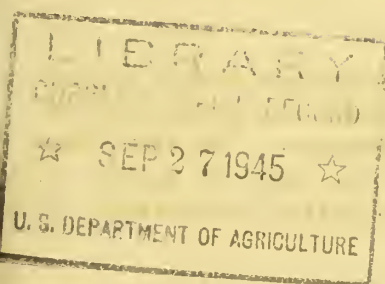
Foreign Crops and MARKETS



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LATE FOREIGN DEVELOPMENTS . . .

ARGENTINA

The corn crop is reported to be in generally promising condition following recent extensive rains. The only exceptions are sections of northern Santa Fe and eastern Córdoba, where rainfall has been insufficient, according to reports. Trade sources predict that the corn crop may be above average.

INDIA

Unofficial sources report that the wheat acreage is expected to show little change from the average of recent years. The 1939-1943 average for all India was about 35.2 million acres.

CHILE

As in past years, the United Kingdom will purchase the entire 1944 output of frozen mutton from the Magallanes freezers in southern Chile. Sheep slaughtering and freezing operations in Magallanes take place during December and the first quarter of each calendar year. Most of the shipments of frozen mutton are made during the months February-April. The number of carcasses frozen at the Magallanes freezers ranges between 800,000 and 900,000 annually.

ARGENTINA

A decree dated November 29, 1943, provided for a complete reorganization of the Argentine Department of Agriculture effective January 1, 1944. An Under Secretary of Agriculture and four Director Generals were provided for. The latter are to be responsible for most of the scientific, service, and regulatory work of the Department. The reorganization also provides for the establishment of a number of bureaus to handle matters relating to agriculture in general, livestock, statistics, research, instruction, national parks, meteorology, and forestry. Various regulatory boards and commissions will also be incorporated.

BRAZIL

The Brazilian Government is preparing to launch a nation-wide program through the Minister of Agriculture. The general outline of the program has already been approved by President Vargas, and the details are now being developed. The exact scope of the plan is not known as yet, but it is assumed that it will cover the general field of agriculture as well as such activities as relate to colonization, agricultural credits, and marketing.

CANADA

With relatively few exceptions, supplies of foods moving into civilian consumption in Canada throughout the war period show substantial increases over pre-war levels, according to a study completed recently by the Dominion Bureau of Statistics. Complete details of the study will be published in next week's issue.

EAST AFRICA EXPANDS WHEAT AREA

Tanganyika's plan for seeding wheat, known as the "Northern Province Wheat Scheme," is now in operation, according to current reports. The plan originally called for sowing 60,000 acres, but that figure was scaled down to 30,000 acres, as much of the land was found to be unsuitable for wheat. The inauguration of the scheme marks the beginning of wheat cultivation in Tanganyika and the grain is to be grown largely for export. Three large areas are being prepared for seeding, on lands owned by the Masai natives but temporarily taken over by the Government of Tanganyika. Seeding and harvesting machinery for the project have been imported from the United States. (See also Foreign Crops and Markets, January 25, 1943.)

CANADA'S FIELD-CROP VALUE LESS THAN LAST YEAR; STILL MUCH ABOVE AVERAGE

The gross value of the principal field crops produced in Canada in 1943 is tentatively placed at 1,100 million dollars (Canadian currency), according to a report from the Dominion Bureau of Statistics at Ottawa. At that figure the value would be about 8 percent below the high value of 1,204 million for the 1942 crop but still considerably above average. The decline from the preceding year was attributed largely to the sharp reduction in the wheat crop in the Prairie Provinces and a considerable reduction in all grain crops in Ontario and Quebec. These reductions, however, were partially offset by the higher prices paid to producers.

Estimates represent gross value of farm production, not actual cash income received from sales. The values per unit assigned to each crop are the average of prices received by farmers during the first 4 months of the new crop year (August-November) and are subject to revision on the basis of future price developments. Prices for the country as a whole averaged higher for all field crops except hay and clover, for which prices were slightly lower than in 1942.

Wheat is the most important single crop, from the standpoint of value. A decline of almost 300 million bushels from last year's crop was accompanied, however, by a rise in farm price, from the average of 69 cents in 1942 to \$1.02. The gross value of this crop is estimated at 299 million dollars, or 111 million dollars less than the 1942 record value of 410 million. The 1943 crop of oats was almost 170 million bushels smaller than that of 1942, but higher prices narrowed the spread in the gross value of the crop to only 15 million dollars for the 2 years. The barley harvest, though about 44 million bushels less than in 1942, is estimated to have a gross value of 15 million dollars more than the 1942 crop, due to a rise in price averaging 16 cents per bushel.

On a provincial basis, substantial declines in gross value are shown for Saskatchewan, Alberta, and Ontario, while the value in Quebec is indicated to be reduced very little despite smaller crops. The estimate for Manitoba, on the contrary, shows a considerable gain due to higher prices received for this year's crops, as well as good yields. In Ontario, the greatest reduction is shown in the returns from the oats and mixed-grain crops, which were considered reduced.

CANADA: Average price per unit and estimated gross value
of specified field crops, 1941-1943 a/

Crop and province	1941		1942		1943	
	Average:	Total	Average:	Total	Average:	Total
	price	value	price	value	price	value
	: Million.		: Million:		: Million	
	: Dollars	: dollars	: Dollars	: dollars	: Dollars	: dollars
All Canada	:	:	:	:	:	:
Wheat	0.55 :	172 :	0.69 :	440 :	1.02 :	299
Oats	0.41 :	126 :	0.39 :	254 :	0.49 :	239
Barley	0.43 :	48 :	0.46 :	120 :	0.62 :	135
Rye	0.45 :	5 :	0.48 :	12 :	0.79 :	6
Mixed grains	0.54 :	26 :	0.52 :	36 :	0.62 :	22
Buckwheat	0.69 :	3 :	0.72 :	4 :	0.80 :	5
Corn for grain	0.72 :	10 :	0.79 :	11 :	0.87 :	9
Hay and clover	12.57 :	159 :	10.86 :	174 :	10.62 :	181
Alfalfa	11.00 :	30 :	9.62 :	36 :	10.40 :	40
Total field crops	- :	684 :	- :	1,204 :	- :	1,102
Quebec	:	:	:	:	:	:
Wheat	0.92 :	1 :	0.96 :	1 :	1.09 :	1
Oats	0.56 :	26 :	0.52 :	26 :	0.65 :	25
Barley	0.72 :	3 :	0.73 :	3 :	0.81 :	3
Hay and clover	17.00 :	70 :	13.78 :	76 :	11.69 :	76
Alfalfa	18.80 :	2 :	14.93 :	2 :	13.38 :	3
Total field crops	- :	131 :	- :	145 :	- :	143
Ontario	:	:	:	:	:	:
Wheat	0.93 :	16 :	0.87 :	21 :	1.07 :	15
Oats	0.48 :	31 :	0.49 :	41 :	0.53 :	18
Barley	0.59 :	6 :	0.62 :	8 :	0.66 :	4
Mixed grains	0.53 :	21 :	0.51 :	26 :	0.57 :	12
Hay and clover	11.30 :	49 :	9.25 :	55 :	9.37 :	54
Alfalfa	12.05 :	19 :	10.00 :	21 :	10.20 :	23
Total field crops	- :	181 :	- :	220 :	- :	175
Manitoba	:	:	:	:	:	:
Wheat	0.53 :	27 :	0.72 :	37 :	1.09 :	45
Oats	0.35 :	15 :	0.37 :	26 :	0.50 :	32
Barley	0.40 :	16 :	0.46 :	34 :	0.68 :	46
Total field crops	- :	74 :	- :	116 :	- :	144
Saskatchewan	:	:	:	:	:	:
Wheat	0.53 :	78 :	0.69 :	231 :	1.02 :	159
Oats	0.34 :	25 :	0.35 :	89 :	0.48 :	96
Barley	0.40 :	11 :	0.44 :	40 :	0.60 :	48
Total field crops	- :	127 :	- :	399 :	- :	344
Alberta	:	:	:	:	:	:
Wheat	0.50 :	49 :	0.66 :	117 :	0.97 :	78
Oats	0.33 :	21 :	0.35 :	61 :	0.44 :	57
Barley	0.39 :	11 :	0.44 :	33 :	0.57 :	32
Total field crops	- :	102 :	- :	244 :	- :	200

From Dominion Bureau of Statistics reports. a/ In Canadian currency.

VEGETABLE OILS AND OILSEEDS . . .

Fred J. Rossiter, in charge

BRAZIL REPORTS IMPROVED OUTLOOK FOR OILSEED CROPS

Oilseed crops to be harvested in Brazil during the first 6 months of 1944 are expected to be somewhat larger than those of 1942 and 1943 in virtually all categories. The shortages in olive oil and petroleum products, both of which are normally imported, have caused an increase in domestic consumption of Brazilian vegetable oils both for edible purposes and for fuel and lubricants. For that reason the anticipated increase in production will not be reflected entirely in increased surpluses for export to the United Nations, although some increase is probable.

No official estimates of the crops have been made as yet. Those given below are based on apparent acreage, crop conditions in the middle of December, and such other factors as transportation, labor, and prices that influence the gathering of both cultivated and uncultivated nuts and oilseeds. Crushing facilities in Brazil appear to be adequate for meeting all anticipated demands in 1944.

The 1944 production of cottonseed is expected to reach a near-record level of 1,100,000 short tons, an increase of 100,000 tons above last year's crop of 995,000 tons, according to preliminary reports derived from private sources. A record crop of 1,200,000 tons was harvested in 1941. The belief is that the surplus of cottonseed oil available for export in 1944 may equal the record exports of 36,885 tons in 1941. Refined cottonseed oil is now being used extensively in Brazil as a substitute for olive oil in cooking and salad oils, both alone and in mixtures with olive oil, sesame oil, and peanut oil. Small quantities are being used as fuel in place of petroleum.

The potential commercial harvest of babassu kernels in 1944 is now estimated at about 60,000 short tons, which is at least as large as that in 1943. Actual production is much larger, but the trees are scattered extensively throughout the tropical areas of Brazil, many of which are not easily accessible for commercial exploitation. It was pointed out, however, that the commercial harvest in 1944 might be less than the estimated 60,000 tons due to the existing shortages of labor and transportation facilities, which might be reflected in smaller quantities for export. Most of the babassu oil produced by local crushers, normally around 8,000 tons, (nearly 13,000 tons in terms of kernels) has been reserved in past years for domestic consumption. Increasing amounts of babassu oil are demanded for the manufacture of soap, its principal use in Brazil, because of relatively higher prices for other oils. Proposals were made recently by the Federal Council of Foreign Commerce that exports of babassu oil be increased by utilizing oiticica crushing plants.

Early reports indicate that the oiticica palm trees will bear a heavy crop in 1944 following 2 years of near-failure due mostly to drought and cyclical fluctuations in production. About 11,000 short tons of oiticica oil are expected to be available for export in 1944 compared with very small quantities in 1942 and 1943. Export of oiticica kernels is prohibited. Exports of oil are roughly equivalent to production, since very little of it is consumed locally.

Castor-bean production (from plants growing wild except in Sao Paulo) is expected to equal the 1943 record crop estimated at 275,000 short tons. The surplus available for export in 1944 is estimated at 195,000, to 220,000 tons of beans, or 80,000 to 90,000 tons in terms of oil. Exports to the United States are usually in the form of beans, but exports of castor oil were increased substantially in 1943 as a result of a United States-Brazil Castor Bean and Oil Agreement which established relatively higher prices for the oil than for the beans.

BRAZIL: Exports and imports of principal fats and oils, 1936-1942

COMMODITY	1936	1937	1938	1939	1940	1941	1942
	Short	Short	Short	Short	Short	Short	Short
	tons	tons	tons	tons	tons	tons	tons
	:	:	:	:	:	:	:
<u>Exports</u>	:	:	:	:	:	:	:
Lard	9,061:	363:	1,670:	6,164:	5,109:	380:	a/
Neatsfoot oil ...	331:	379:	347:	353:	248:	141:	a/
Tallow and greases :	9,622:	10,061:	4,259:	2,992:	4,253:	1,942:	a/
Babassu kernels ..	33,907:	24,245:	33,294:	53,837:	45,400:	43,284:	32,345
Babassu oil	89:	229:	a/ :	320:	611:	35:	724
Carnauba wax	9,672:	9,857:	10,095:	11,024:	9,538:	12,970:	a/
Castor beans	112,496:	132,183:	138,751:	138,088:	129,515:	244,504:	128,053
Castor oil	433:	223:	153:	643:	1,338:	4,967:	2,852
Cocobutter	1,325:	1,465:	849:	802:	723:	2,218:	a/
Copahyba oil	146:	207:	157:	172:	160:	134:	a/
Cotton seeds	90,336:	72,470:	67,913:	61,071:	20,749:	2,708:	0
Cottonseed oil ...	25,710:	24,079:	34,473:	25,599:	29,004:	36,881:	18,897
Murumuru kernels :	1,392:	2,191:	2,946:	2,896:	2,930:	1,940:	1,283
Murumuru oil	a/ :	a/ :	a/ :	2,896:	310:	169:	290
Oiticica oil	3,630:	1,677:	4,097:	10,234:	7,975:	18,305:	1,186
Sesame seeds	126:	14:	237:	877:	1,017:	269:	134
Tucum nuts	2,464:	4,821:	993:	5,535:	2,022:	6,968:	3,941
Ucuhuba oil	a/ :	239:	220:	408:	121:	1,163:	a/
Uricury wax	0:	3:	63:	213:	1,092:	2,411:	2,636
<u>Imports</u>	:	:	:	:	:	:	:
Cod liver oil and:	:	:	:	:	:	:	:
emulsion	71:	88:	102:	98:	106:	b/ :	a/
Lard	14:	12:	1:	b/ :	b/ :	b/ :	a/
Tallow and greases :	31:	148:	30:	6:	c/ :	1,047:	a/
Soap	291:	371:	299:	365:	274:	b/ :	a/
Flaxseed	20,064:	19,435:	15,747:	8,951:	7,126:	17,251:	a/
Linseed oil	154:	198:	117:	93:	109:	b/ :	a/
Olive oil	5,057:	3,285:	6,962:	4,641:	4,235:	1,663:	a/
	:	:	:	:	:	:	:

Compiled from Comercio Exterior Do Brazil and current consular reports.

a/ Not available.

b/ Not shown separately in available reports.

c/ Less than half a ton.

An estimate of 22,000 short tons was reported for the 1944 peanut crop in Sao Paulo, the only surplus producing State, compared with last year's record crop of 25,000 tons in that State. Estimates for the other producing States. Rio Grande do Sul and Rio de Janeiro, are not available. Peanut production in Sao Paulo has been expanded from about 300 tons in 1940, and further expansion is being encouraged. Strong demand for peanuts and peanut oil in the domestic market has supported prices above those offered on world markets. Exports of peanuts were insignificant in past years, except for 1,040 tons in 1940, and no sizeable exports are expected in 1944. Peanut oil is an acceptable substitute for olive oil and was selling in Rio de Janeiro in December at 11 cruzeiros per kilo (27 cents per pound) as against 70 cruzeiros (\$1.72) for olive oil.

Production of coconuts normally ranges between 130,000,000 and 150,000,000 nuts, but exports average less than 200,000 nuts annually. Production of coconut oil has increased from 234 short tons in 1935 to 702 tons in 1939, practically all of which is used within the country, mostly in the manufacture of oleomargarine. A large number of other vegetable oilseeds are also cultivated or harvested from trees growing wild in Brazil, but most of them only on a small scale. Recent production data for such products are not available. The more important ones are included in the export table given on the preceding page.

NIGERIAN PEANUT CROP EXCEEDS GOAL

The 1943 crop of peanuts in Nigeria is estimated at 364,000 short tons (in the shell) compared with 134,000 tons last year when drought caused a near failure. This year's crop is the third largest on record, following those of 1934 and 1937, and exceeds by about 28,000 tons the goal set by British authorities last spring when a campaign was begun to increase production. The increased production was attributed both to favorable weather and to cooperation by the natives with British officials sponsoring the program.

No accurate estimates are available for consumption of peanuts and peanut oil in Nigeria, but both are used extensively by all classes of the population. The oil is used chiefly in soups and seasonings, in the manufacture of soap and for illuminating purposes. Considerable quantities of the nuts are eaten raw and are used widely in the preparation of cakes, candies, and other foods.

The exportable surplus has been purchased by British Government agencies since the outbreak of war, and most of it has been exported to the United Kingdom during the war period. Exports totaled 201,752 short tons (shelled) in 1938, 170,534 in 1939, and 189,818 in 1940. Peanuts are among Nigeria's three leading export commodities, and the quantities exported usually exceed those of palm kernels and palm oil.

Peanut cultivation is confined almost entirely to the northern Provinces where cotton is the chief competing crop, and acreage shifts are made when the price ratio favors cotton production. Prices of peanuts have been more favorable in recent years and have now reached a level equivalent to \$76.56 per short ton for shelled peanuts at Kano, compared with a fixed price in 1940 of \$19.36, in the shell, equal to about \$29.00 for shelled peanuts.

MEXICO'S 1943-44 TOBACCO CROP LARGER

Private trade sources place the 1943-44 tobacco crop in Mexico at between 44 and 55 million pounds in spite of extensive early season damage to seed beds in the principal producing area. The 1942-43 crop amounted to about 30.8 million pounds, compared with the average of 42,900,000 pounds annually for the 6 years ended with the 1941-42 crop. With a continuation of recent favorable weather conditions, the current crop in Nayarit, the principal producing State, may be as much as 40 to 50 percent larger than last season's production of approximately 19 million pounds. It is also reported that the 1943-44 crop in Vera Cruz, the second ranking tobacco producing State, will surpass the 1942-43 output.

Mexico's tobacco production is still sufficient to meet increasing domestic consumption. Imports, chiefly from the United States, are largely confined to small amounts of quality cigar leaf. Imports during the 1941-42 marketing year (July-June) totaled about 323,000 pounds, compared with 259,000 pounds in 1940-41. Imports of tobacco products, chiefly cigarettes from the United States, amounted to 63,000 pounds in 1941-42, compared with 49,000 pounds in 1940-41. Although imports of leaf and tobacco products have been increasing in recent years, they cover only about 1 percent of the country's requirements. Exports of leaf and tobacco products from Mexico are insignificant and amounted to only 7,000 pounds during the marketing year July 1941 through June 1942.

HIGHER PRICES FIXED FOR SMALL 1943 CANADIAN FLUE-CURED TOBACCO CROP

The minimum average price for the 1943 production of flue-cured tobacco grown by members of the Ontario Flue-Cured Tobacco Marketing Association, who produce most of Canada's flue-cured crop, has been fixed at 30 cents per pound. This represents the highest minimum price since the adoption in 1934 of the Association's present plan of appraising tobacco. The 1943 flue-cured crop for all Canada, despite removal of acreage restrictions, is officially estimated at only 51,174,000 pounds compared with 71,857,000 pounds in 1942. At that figure the crop would be the lowest since the 1940 crop of 39,144,000 pounds when restriction on plantings materially reduced the acreage. The 1943 output is substantially below the demand for domestic consumption and export, and the Canadian Wartime Prices and Trade Board has allocated it among the various buyers, according to information received in the Office of Foreign Agricultural Relations.

The low flue-cured crop in 1943 is attributed primarily to unfavorable weather conditions, including excessive rains at planting time and a severe frost on the night of September 11, which destroyed approximately 10,300,000 pounds of unharvested leaf. The quality of the crop varied materially between districts, but despite the unfavorable growing season, it is generally of exceptionally good color and texture. Much of the leaf, however, is lacking in body.

The minimum average price for the leaf grown by members of the Ontario Marketing Association, which is a negotiated price established by a small committee

of growers and buyers, represents the minimum that each buyer must average during the marketing season. Any deficit must be paid to the Association for distribution to growers concerned. In past seasons, however, average prices paid by buyers have generally exceeded the established minimum, and the 1943 crops of most of the Association's members sold at between 28 and 34 cents per pound.

Prior to the leaf being offered for sale, the Association appraises the crop of each of its members and establishes an average price in order that the growers may bargain intelligently with buyers. The appraisals are made by graders who visit each grower and estimate an average price based on the proportion of the growers' crop that falls in the different grades. Permanent standard relative values have been established for each grade. The price relationship between grades is maintained from year to year, but actual prices by grades vary in accordance with agreed minimums for the crop.

CANADA: Flue-cured tobacco prices per pound used by the Marketing Association of Ontario in appraising the value of members' crops

GRADE	: STANDARD :		APPRAISAL VALUE				
	: RELATIVE :	1939	1940	1941	1942	1943	
	: VALUE :						
		Cents	Cents	Cents	Cents	Cents	
Leaf grades							
B-1	40	43.70	44.89	46.73	51.73	56.12	
B 2	32	34.96	35.91	37.38	41.38	44.90	
B 2L	28	30.59	31.42	32.71	36.21	39.28	
B 3	24	26.22	26.94	28.04	31.04	33.67	
B 3L	20.4	22.29	22.89	23.93	26.38	28.62	
B 4	16.8	18.35	18.95	19.63	21.73	23.57	
B 5	13.6	14.86	15.26	15.89	17.59	19.08	
B 6	10	10.93	11.22	11.68	12.93	14.03	
Cutter grades							
C 2	40	43.70	44.89	46.73	51.73	56.12	
C 3	32	34.96	35.91	37.38	41.38	44.90	
C 4	28	30.59	31.42	32.71	36.21	39.28	
C 5	24	26.22	26.94	28.04	31.04	33.67	
Mixed grades							
M 1	20	21.85	22.45	23.36	25.86	28.06	
M 2	16	17.48	17.96	18.69	20.69	22.45	
Sand leaves							
X 2	20	21.85	22.45	23.36	25.86	28.06	
X 3	16	17.48	17.96	18.69	20.69	22.45	
X 4	12	13.11	13.47	14.02	15.52	16.84	
Nondescript	2	nil		2.34	2.59	2.81	
Weighted average ...		19.5	a/ 20.5	b/ 22.75	26.50	30.00	

Compiled from trade and official sources.

a/ New belt 20.69; old belt 18.47.

b/ New belt 22.98; old belt 19.95.

NEW ZEALAND LIVESTOCK NUMBERS REDUCED

All classes of livestock in New Zealand were reduced as of April 1943 in comparison with numbers on the same date in 1942. Also, with the exception of sheep and cattle, the numbers were below the average for the 5 pre-war years, 1934-1938.

Cattle numbers, estimated at 4,448,000 head, were 2 percent above the pre-war level but 4 percent smaller than in 1942. In 1941 and 1942 numbers reached the record total of 4,600,000 each year. Cows in milk, which numbered 1,715,000 in 1943, were 3 percent below 1942 and 5 percent below the record pre-war average of 1,807,000 head.

Sheep numbers showed a very slight decrease as of April 1943, the total amounting to 31,500,000 head, according to preliminary figures. That number, however, was still approximately 4 percent above the pre-war level. The record wartime peak for sheep was reached in 1941, when they numbered 31,752,000 head. The largest number of sheep ever reported in New Zealand was 32,379,000 head in April 1938. The percentage of breeding ewes in the flocks has increased in recent years, and the average lambing percentage in 1942-43 reached the record of 91.43 percent. The number of lambs docked that season was 18,865,000, which was a record.

NEW ZEALAND: Number of livestock, 1938-1943

CLASSIFICATION	JANUARY 31				1943 AS	1943 AS
	AVERAGE :	1941	1942	1943	PERCENTAGE OF:	PERCENTAGE
	1934-1938:				1934-1938	OF 1942
	Thousands:	Thousands:	Thousands:	Thousands:	Percent	Percent
Cattle, total	4,349:	4,576:	4,642:	4,443:	102.2:	95.8
Cows in milk	1,807:	1,780:	1,777:	1,715:	94.9:	96.5
Hogs	758:	769:	689:	605:	79.8:	87.8
Sheep a/	30,305:	31,752:	31,650:b/	31,500:	103.9:	99.5
Horses	276:	266:	262:	236:	85.5:	90.1
	:	:	:	:	:	:
	:	:	:	:	:	:

Compiled from official sources.

a/ As of April 30.

b/ Estimate of Dalgety and Company.

Wet weather in the 1943-44 season caused some losses at lambing time, but they were not as heavy as believed originally. On the North Island losses are estimated to have ranged from 10 to 15 percent. Losses of lambs in the Canterbury District of South Island were more severe and are estimated at 20 percent. In other parts of South Island lambing was very good.

Hogs have shown more of a decline than any other class of livestock and in 1943 numbered only 605,000 head, a decrease of 12 percent below 1942 and 20 percent below pre-war. Hogs are primarily a by-product of the dairy industry in New Zealand and the switch over to cheese rather than butter production, owing to the need of the United Kingdom for cheese, has adversely affected the hog industry.

NEW ZEALAND: Sheep and lambs shorn, lambs docked, and number of sheep and lambs on hand

SEASON ENDED APRIL 30	SHEEP AND LAMBS SHORN			LAMBS DOCKED	NUMBER OF SHEEP AND LAMBS ON HAND APRIL 30	
	SHEEP	LAMBS	TOTAL			
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
Average 1934-1938.....	26,553	3,822	30,375	16,178		30,305
1939	29,146	3,923	33,069	16,949		31,897
1940	29,042	4,119	33,161	17,230		31,063
1941	28,765	4,535	33,300	18,286		31,752
1942	29,226	4,589	33,815	18,523		31,650
1943	29,636	4,870	34,506	18,865 a/		31,500

Compiled from official sources.

a/ Preliminary.

There has also been a material decline in the number of horses, which were estimated at only 236,000 head in 1943, or 10 percent below 1942 and 14 percent smaller than the pre-war average.

Beef cattle are reported as showing the effects of a hard winter and wet spring conditions. In the South Island, especially, it will take longer than usual to bring cattle to required slaughter weights.

As a result of the reduction in hog numbers, pork production in New Zealand in 1942-43 is believed to have amounted to only about 80 million pounds, a reduction of 18 percent compared with 1941-42. It is estimated that production in 1943-44 may be much as 20 percent below that of 1942-43.

NEW ZEALAND: Slaughter and meat production, average 1934-35 to 1938-39, annual 1941-42 and 1942-43

APRIL-MARCH	CATTLE		SHEEP		HOGS	
	SLAUGHTER	PRODUCTION	SLAUGHTER	PRODUCTION	SLAUGHTER	PRODUCTION
	1,000 head	Million pounds	1,000 head	Million pounds	1,000 head	Million pounds
Average 1934-35 to:						
1938-39	1,559	454	13,422	576	1,051	96
1941-42	1,665	504	15,327	699	1,003	97
1942-43 a/	1,690	510	16,000	704	725	80

Compiled from official sources.

a/ Preliminary.

RENEWAL OF MEXICAN EXPORT RESTRICTIONS ON CATTLE

Announcement in Mexico City on December 25, that the quota on cattle exports during 1944, as in 1943, would once more be limited to a maximum of 500,000 head will not affect measurably the beef supply situation in the United States. That action was taken by the Mexican Government to stabilize the beef supply and price situation in that country.

The first quota limitation by the Mexican Government on the movement of cattle into the United States was imposed on June 14, 1943, when an order was issued restricting such shipments to a total of 500,000 head for the entire calendar year. The quota was imposed at that time because of uncertainty as to the meat supply situation in Mexico, where the wartime consumer demand, as in the United States, had risen to unusually high levels as a result of increased employment and purchasing power.

Maintenance of the Mexican export quota at 500,000 head for another 12 months indicates not only a continued high consumer demand for beef in that country but also the interest of the Mexican Government in assuring sufficient supplies for the Mexican people. Shipments to the United States totaled 527,000 head during 1942. In the 5-year period 1938-1942 they averaged 464,000 head annually.

Only a small percentage of the United States beef consumption has ever been supplied by imported cattle and beef. In recent years Mexico and Canada were virtually the only countries shipping live beef cattle to the United States market. Canada, which accounted for 32 percent of the United States beef-cattle imports during the 5-years 1938-1942, placed an embargo on such exports in the summer of 1942. This left Mexico as virtually the only foreign country shipping beef cattle to the United States market.

For several years prior to the trade agreement with Mexico, which became effective January 30, 1943, the United States had permitted limited imports of light-weight and heavy-weight cattle at a reduced duty rate of 1.5 cents per pound. The reduced rate was applicable to a global quota of 100,000 head in the light-weight class (under 200 pounds each) and to a global quota of 225,000 head in the heavy-weight class (700 pounds or more each). Imports of light-weight cattle in excess of that quota had to pay a duty of 2.5 cents while imports of heavy-weight cattle in excess of the quota were dutiable at 3 cents a pound. There were no quantitative restrictions on imports of medium-weight cattle, constituting the bulk of the Mexican shipments, for which the duty, however, remained at 2.5 cents.

The United States in its trade agreement with Mexico fixed the duty on beef cattle at the flat rate of 1.5 cents per pound for all weight classes and suspended all quantitative restriction on imports for the duration of the war. As a result of those concessions, combined with high prices for feeder cattle in the United States and drought in parts of the northern Mexican States, Mexican cattle exports to the United States market increased so rapidly, reaching 436,000 head in the first 6 months of 1943, that the Mexican Government found export restrictions necessary. The recent action of the Mexican Government merely extends that quota restriction for another 12 months.